

AGREEMENT AND CERTIFICATE
OF
LIMITED PARTNERSHIP
OF
CURTIS ARMS ASSOCIATES

Thomas C. DeConcilis, Jr., 50 Curtis Street, Providence, Rhode Island (DeConcilis) and O. Ahlborg & Sons, Inc., a Rhode Island corporation, having its principal place of business located at 48 Molter Street, Cranston, Rhode Island (Ahlborg), desiring to form a limited partnership under and by virtue of the powers conferred by Chapter 13, Title 7 of the General Laws of Rhode Island 1956, (1969 Re-enactment), as amended, do solemnly swear and agree as follows:

1. Formation: The parties hereto do hereby form a Limited Partnership pursuant to the provisions of Chapter 13, Title 7 of the General Laws of Rhode Island (1969 Reenactment), as amended.

2. Name: The name of the partnership shall be Curtis Arms Associates.

3. Term: The partnership shall commence upon the filing of this Agreement and Certificate of Limited Partnership in the Office of the Secretary of State of Rhode Island and shall continue until December 31, 2025 unless the partnership is sooner dissolved by the happening of any one of the following events: The sale or disposition of all or substantially all of the partnership property; the termination of the existence or dissolution (voluntary or involuntary), bankruptcy or legal incapacity of a General Partner, unless there is an election by the remaining General Partners, if any, to continue the business or unless the majority in interest of the Limited Partners designate a new General Partner of the reconstituted partnership; the dissolution of the partnership by operation of law.

4. Purpose and Powers:

A. The purpose of the Partnership is to acquire for development and investment the land located at Curtis and Aleppo Streets in Providence, Rhode Island, further identified as Lots 517, 522, 523, 524, 532, 533 and 534 on Plat 63 in the records of the Tax Assessor of Providence, Rhode Island and to own, develop, rehabilitate, manage, mortgage, lease, exchange, sell, or otherwise transfer or dispose of such land, and to construct an apartment complex designed for approximately one hundred six (106) living units, financed by an insured non-recourse mortgage under Section 221(d) 4 of the National Housing Act, as amended, with rental assistance under Section 8 of said Act (hereinafter the "Project").

B. The Partnership is empowered and authorized to engage in any activity, perform and carry out contracts of any kind, and do any and all things necessary and proper for the protection and benefit of the Partnership and the accomplishment of its purpose, including without limiting the generality of the foregoing:

1. borrow whatever amounts may be required for the acquisition, development and construction of the Apartments and to meet with the expenses of operating the Apartments and securing the same by a mortgage insured under Section 221(d) 4 of the National Housing Act, as amended, and;
2. entering into an agreement with the Secretary of Housing and Urban Development and/or the Federal Housing Commissioner (HUD/FHA) (the "Regulatory Agreement"), governing the operation and maintenance of the Apartments.
3. entering into a Housing Assistance Payments Contract (or an Agreement to so enter) and an Annual Contributions Contract.
4. entering into and performing all necessary and required contracts and other documents required by HUD/FHA and/or Rhode Island Housing and Mortgage Finance Corporation, (RIHMFCC)

C. All documents of any nature required to be signed on behalf of the Partnership shall be signed by the General Partner. Without limiting the generality of this authorization, the General Partner shall have full power to execute any document necessary or desirable to effect the purposes of the partnership as set forth in this Paragraph 4, to execute deeds, mortgages, notes and leases, and to sell all or any part of the Partnership property, and in particular, the power to execute a Note, Mortgage, Regulatory Agreement, Building Loan Agreement and any and all documents required or deemed necessary for the purpose of this Partnership. The General Partner is hereby authorized and directed to execute any and all documents necessary or desirable to consummate the transaction between the Partnership, HUD/FHA and Rhode Island Housing and Mortgage Finance Corporation (RIHMF) contemplated by FHA Project No. 016-35053-WAH-LDP-L8, including a Note not exceeding \$3,800,000, a Mortgage Deed of any partnership property, a Regulatory Agreement, a Building Loan Agreement and any and all other documents in connection therewith deemed necessary or desirable in the sole opinion of said General Partner to consummate such transaction, including an Annual Contribution Contract for Section 8 rental assistance or a Housing Assistance Payments Contract therefor (or an Agreement to do so) and any other documents required for Section 8 rental assistance.

5. Principal Place of Business: The principal place of business of the partnership shall be located at 50 Curtis Street, Providence, Rhode Island 02909, but other or additional places of business may be selected from time to time by the General Partner on notice to the Limited Partners.

6. Percentage Interest of General Partners and Limited Partners: The following shows the names and percentage interest of the General and Limited Partners:

<u>General Partner</u>	<u>Percentage Interest</u>
Thomas G. DeConcilis, Jr.	1%
<u>Limited Partners</u>	<u>Percentage Interest</u>
Thomas G. DeConcilis, Jr.	98%
O. Ahlborg & Sons, Inc.	1%

7. Capital Contributions of Partners: The General and Limited Partners shall make the following contribution in cash to the capital of the partnership:

<u>General Partner</u>	
Thomas G. DeConcilis, Jr.	\$ 1.00
<u>Limited Partners</u>	
Thomas G. DeConcilis, Jr.	\$98.00
O. Ahlborg & Sons, Inc.	\$ 1.00

No Partner shall be required to make any additional capital contribution, but any Partner may at any time, with the consent of the General Partner, make further and additional contributions; however, the division of the profits and losses provided in Paragraph 8 hereof shall not be altered.

8. Profits, Losses, and Cash Proceeds: The net profits of the Partnership, and net proceeds resulting from the sale, mortgage refinancing, and condemnation of any property held by the Partnership shall be divided among, and any losses shall be borne by, each of the Partners in proportion to their partnership interest, subject, however, insofar as the Limited Partners are concerned, to the limitation set forth in Paragraph 9 hereof.

The term "net profits" of the Partnership as used herein shall mean net profits derived from the property owned by the Partnership as ascertained through the use of standard accounting practices, except that (a) depreciation of buildings, improvements, furniture, fixtures, furnishings, and equipment shall not be taken into account, (b) mortgage amortization paid by the Partnership in the discretion of the General Partner for capital improvements shall be considered a deduction, and (c) if the General Partner shall so determine, a reasonable reserve shall be deducted to provide funds for improvements or for any other contingencies of the Partnership. Subject to any applicable regulations of HUD/ FHA or RIHMFEC, the net profits of the Partnership for each fiscal year shall be distributed to the partners within a reasonable time after the end of such year, provided, however, that the total amount of the net profits of the Partnership which may be so distributed for any fiscal year shall not exceed the amount authorized by HUD/FHA of the initial equity investment and the right to such distribution shall be cumulative.

9. Losses and Limited Partners: Notwithstanding anything to the contrary herein contained, the liability of the Limited Partners for payment of any losses of the Partnership shall in no event exceed their contribution to the capital of the Partnership. For purposes of Partnership accounting, however, all Partnership losses shall be charged against the capital account of the General and Limited Partners in the ratios set forth in Paragraph 6, and should a negative balance appear in the capital account of any Limited Partner, such negative balance shall be offset by any future net profits of the Partnership allocable to said Limited Partner.

10. Salaries, Drawings, and Interest on Capital Contributions: No partner, General or Limited, shall receive any salary or drawings for services rendered on behalf of the Partnership in its capacity as Partner, nor shall any Partner receive any interest on its contribution(s) to the capital of the Partnership.

11. Management, Duties, and Restrictions:

(a) The General Partner shall devote such time to the Partnership as shall be reasonably required for its welfare and success.

(b) The Limited Partners shall not participate in the management of the Partnership business except to the extent that they may also be a General Partner. The Limited Partners shall have the right to withdraw their capital contribution in cash only upon the termination of the Partnership as provided herein; provided, however, that no part of the capital contribution of the Limited Partners shall be withdrawn unless all liabilities of the Partnership, except liabilities to Partners on account of contributions, have been paid or unless the Partnership has assets sufficient to pay them.

(c) The Limited Partners hereby consent to the employment, when and if required, of such brokers, managing and other agents, accountants, and attorneys as the General Partner may from time to time determine. The fact that the General or Limited Partners is employed by, or directly or indirectly interested in or connected with, any person, firm or corporation employed by the Partnership to render or perform a service, or from which the Partnership may purchase any property, shall not prohibit the General Partner from employing such person, firm or corporation, or from otherwise dealing with him or it, and neither the Partnership nor any of

its partners shall have any rights in or to any income or profits derived therefrom as a consequence of the Partnership relationship herein created.

(d) The General and Limited Partners may each engage in or possess an interest in other business ventures of any nature and description, independently or with others, including but not limited to the ownership, financing, leasing, operation, management, or development of real property and neither the Partnership nor any of the Partners hereof shall have any rights by virtue of this Agreement in and to such independent venture or the income of profits derived therefrom.

12. Banking: Withdrawals from any Partnership bank account or accounts shall be made upon such signature or signatures as the General Partner shall determine.

13. Conveyances: Any deed, bill of sale, mortgage, lease, contract of sale, or other commitment purporting to convey or encumber the interest of the Partnership in all or any portion of any real or personal property at any time held in its name shall be signed by the General Partner. Notwithstanding anything contained herein, occupancy leases for individual apartments may be signed by a Managing Agent appointed for the purpose by the General Partner. No person shall be required to inquire into the authority of any individual to sign any document pursuant to the provisions of this paragraph.

14. Books: The Partnership shall maintain full and accurate books in its principal office or such other office as shall be designated for such purpose by the General Partner, and all Partners shall have the right to inspect and examine such books at reasonable times. The books shall be closed and balanced at the end of each calendar year. Annual statements showing the Partnership profits and losses for the fiscal year

and indicating the share of profit or loss of each partner for income tax purposes shall be prepared by the accountants for the Partnership and distributed to the partners within a reasonable time after the close of each fiscal year.

15. Transferability of General and Limited Partnership Interests:

a. The General Partner shall not retire or withdraw from the Partnership or transfer, sell, alienate, assign, encumber or otherwise dispose of all or any part of his interest in the Partnership, whether voluntarily, involuntarily or by operation of law, or at judicial sale or otherwise, or admit additional or successor General Partners without first obtaining the written consent of HUD/FHA, RIHMFC if required and of the other partners. A Limited Partner may sell or assign its or his limited partnership interest or portion thereof only as permitted by this Paragraph 15.

b. A Limited Partner shall not have the right to substitute an assignee or transferee as a Limited Partner in his or its place. The General Partner shall, however, have the right to permit such assignee or transferee to become a Substitute Limited Partner and any such permission by the General Partner shall be binding and conclusive without the consent or approval of the Limited Partners. Any such approved assignee or transferee shall, as a condition of becoming a Substitute Limited Partner, agree to be bound by the provisions of this Agreement, and shall also agree to accept such other terms and conditions as the General Partner in his sole discretion may determine. Each Substitute Limited Partner shall execute such instruments as shall be required by the General Partner to signify his agreement to be bound by all the provisions of this Agreement as last amended.

c. The General Partner is hereby constituted the attorney-in-fact of the Limited Partners to execute, acknowledge and deliver such instruments as may be necessary or appropriate to carry out the provisions of this Paragraph 15, including, but not limited to, amendments to the schedule in Paragraph 6 and 7 and amendments to the Limited Partnership Certificate required by statute, business certificates and the like, and amendments to this Agreement.

d. An assignee of the interest of a Limited Partner who does not become a Substitute Limited Partner as provided aforesaid and who desires to make a further assignment of his or its interest shall be subject to all the provisions of this Paragraph 15 to the same extent and in the same manner as any Limited Partner desiring to make an assignment of his or its interest.

e. Any assignment or transfer of the interest of the General Partner shall be treated in accordance with Paragraph 17 as a withdrawal of the assigning or transferring General Partner.

f. Notwithstanding any other provisions of this Agreement, the General Partner shall have the authority to allow additional investor limited partners to be admitted to the Partnership.

16. Restrictions on Authority: The Partners shall be bound by the terms and HUD/FHA and RIHMFC conditions of any insured Mortgage Note, Mortgage Deed, Regulatory Agreement and any other documents required in connection with any HUD/FHA or RIHMFC insured loan and mortgage for the development of the property but shall not be personally liable for the payment of all or any part of the indebtedness secured by any such Mortgage Deed. Any incoming Partner shall as a condition of receiv-

ing any interest in the Partnership property agrees to be so bound by the terms and conditions of any insured Mortgage Note, Mortgage Deed, Regulatory Agreement and other documents required in connection with any HUD/FHA insured loan to the same extent and on the same terms as the other Partners. Upon any dissolution of the Partnership, or any transfer of the property, no title or right to the possession and control of the property and no right to collect the rents therefrom shall pass to any person or entity who is not, or does not become, bound by an outstanding Regulatory Agreement in a manner satisfactory to the Federal Housing Commissioner. Any such Regulatory Agreement shall be binding upon and shall govern the rights and obligations of the Partners, their respective successors and assigns so long as a mortgage is outstanding, unpaid and insured or held by HUD/FHA.

17. Withdrawal of General Partner: In the event of the death, resignation, withdrawal, insolvency, bankruptcy or assignment or transfer of interest (hereinafter collectively referred to as "withdrawal") of the General Partner, the Partnership may be continued if all of the other surviving or remaining competent partners so elect. If the surviving or remaining competent partners shall determine to continue the Partnership, the withdrawing General Partner or his assignee shall become a Limited Partner in the Partnership with the same relative percentage interest, as set forth in Paragraph 6 hereof, in Partnership profits, losses, and distributions of all kinds, including (but not limited to) liquidating distributions and distribution of proceeds from the sale or condemnation of Partnership property and proceeds resulting from any mortgage or refinancing, as previously possessed by such General Partner in this Partnership, subject, however, to the limitation of

liability, for liabilities incurred subsequent to said withdrawal, to an amount equal to the share of such partner in the total net assets of the Partnership at the date that such Partner became a Limited Partner hereunder. The percentage share of such Partner in the total assets of the Partnership shall be the same as its percentage share of Partnership profits and losses as set forth in Paragraph 6 hereof. The other surviving or remaining competent Partners shall determine whether to continue the Partnership no later than thirty (30) days following the withdrawal of the General Partner, and in any event shall within (30) days provide for a new General Partner from amongst their number or otherwise if the withdrawal of such General Partner would otherwise leave no remaining General Partner.

18. Dissolution or Death of a Limited Partner: The dissolution or death of a Limited Partner shall neither dissolve nor terminate the Partnership. In the event of such dissolution or death, the successor to or the personal representative of, the dissolved or deceased Limited Partner shall have all the rights of a Limited Partner in the Partnership to the extent of the dissolved's or deceased's interest therein, subject to the terms and conditions of this Agreement.

19. Termination Prior to End of Term: The Partnership may be terminated by the General Partner and a majority in number of the Limited Partners prior to the end of its term after at least thirty (30) days' prior written notice to each of the Limited Partners, provided, however, that nothing contained in the preceding clause of this sentence shall diminish or otherwise negate the obligations of the General Partner contained in Paragraph 15 hereof.

20. Distributions on Termination: In the event of the dissolution and termination of the Partnership, the then General Partner(s) shall proceed to the liquidation of the Partnership and the proceeds of such liquidations shall be applied and distributed in the following order or priority:

(a) To the payment of the debts and liabilities of the Partnership (other than any loans or advances that may have been made by the Partners to the Partnership) and the expenses of liquidation.

(b) To the setting up of any reserves which the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership. Such reserves shall be paid over by the General Partner to an attorney-at-law of the State of Rhode Island, as Escrowee, to be held by him for the purpose of disbursing such reserves in payment of any of the aforementioned contingencies, and, at the expiration of such period as the General Partner shall deem advisable, to distribute the balance thereafter remaining in the manner hereinafter provided.

(c) To the repayment of any loans or advances that may have been made by any of the Partners to the Partnership, but if the amount available for such repayment shall be insufficient, then pro rata on account thereof.

(d) Any balance remaining shall be distributed among all partners, General and Limited, as follows:

(i) In the event that the Partnership assets shall have been sold, the net proceeds shall be distributed to each partner in satisfaction of their interests in the Partnership in the manner provided in Paragraph 8 hereof.

(ii) In lieu of sale, the Partnership assets, subject to Paragraph 16 hereof, may be distributed in kind, each Partner accepting an undivided interest in the Partnership's assets subject to his liabilities in satisfaction of his interest in the Partnership.

In the event of a liquidating distribution of the Partnership's properties in kind, the fair market value of such property shall be determined by averaging the appraisals of two appraisers selected by the Real Estate Board of the City of Providence, Rhode Island, or any other comparable body, and each Partner shall receive an undivided interest in such property equal to the portion of the proceeds to which it would be entitled under Paragraph 8 hereof if such property were sold.

21. Procedure on Termination: A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to minimize the normal losses attendant upon a liquidation. Each of the partners shall be furnished with a statement prepared by the Partnership's then independent certified public accountant, which shall set forth the assets and liabilities of the Partnership as of the date of complete liquidation. Upon the General Partner's complying with the distribution plan set forth in Paragraph 20 hereof (including payment over to the Attorney-Escrowee if there are sufficient funds therefor), the Limited Partners shall cease to be such, and the General Partner as the sole remaining partner of the Partnership, shall execute, acknowledge and cause to be filed a Certificate of Cancellation of the Partnership.

22. Limit on General Partner's Liability: Anything in this Agreement to the contrary notwithstanding, the General Partner shall not be personally liable for the return of the capital contributions of Limited Partners, or any portion thereof, it being expressly understood that any such return shall be made solely from the Partnership assets.

23. Indemnification: Neither the Partnership nor any Partner shall have any claim against the General Partner, and the Partnership shall indemnify the General Partner against any liability incurred by him, provided that the acts of omission giving rise to such claims or liabilities were performed by him for and on behalf of the Partnership and in furtherance of its interests and were performed in good faith in the belief that he was acting within the scope of his authority under this Agreement. The foregoing shall not relieve the General Partner of liability for gross negligence or willful malfeasance.

24. Notices: All notices provided for in this Agreement shall be directed to the parties at the addresses herein set forth and to the Partnership at its principal office by Registered or Certified Mail.

25. Amendment of this Agreement: Subject to the provisions of Paragraph 16, this Agreement may be modified or amended at any time by the General Partner acting under the terms of the Power of Attorney clause in Paragraph 15.

26. Binding Effect: This Agreement shall be binding upon all the parties and their respective successors and assigns and transferees and assigns.

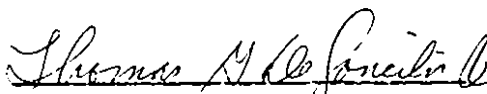
27. Agreement in Counterparts: This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

28. Applicable Law: This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Rhode Island.

IN WITNESS WHEREOF, the undersigned have executed this Agreement this 28th day of September , 1979.


General Partner

Address


Thomas G. DeConcilis, Jr.

50 Curtis Street
Providence, RI 02909


Limited Partners


Thomas G. DeConcilis, Jr.

50 Curtis Street
Providence, RI 02909

O. Ahlborg & Sons, Inc.

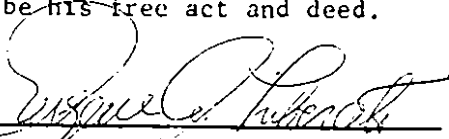
48 Molter Street
Cranston, RI

By 
Richard W. Ahlborg, President

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence, in said County, on the 28th day of September, 1979, before me personally appeared Thomas G. DeConcilis, Jr., who swore that the statements contained herein are true to the best of his knowledge and belief and he acknowledged said instrument by him executed as both General and Limited Partner to be his free act and deed.

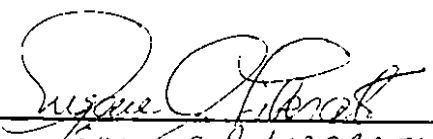

Eugene A. Liberati
Notary Public

My commission expires
June 30, 1981

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In Providence, in said County, on the 28th day of September, 1979, before me personally appeared Richard W. Ahlborg, President of O. Ahlborg & Sons, Inc., who, being first duly sworn, on oath did say that the statements contained herein are true to the best of his knowledge and belief and he acknowledged said instrument executed in his said capacity as President of O. Ahlborg & Sons, Inc. the Limited Partner herein to be his free act and deed and the free act and deed of said corporation as such Limited Partner.


EUGENE A. LIBERATI
Notary Public

My commission expires
June 30, 1981